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North Carolina

Medicaid Pharmacy

Newsletter

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In This Issue...

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New Pharmacy Prior Authorization Program for Proton Pump Inhibitors

Effective no later than June 1, 2007, the N.C. Medicaid Outpatient Pharmacy Program will require prior authorization for use of brand name proton pump inhibitors. The criteria for use of these medications will include the following:

- Failure with a 30-day trial of no less than 40mg of omeprazole during a 12-month time period; OR
- Use of esomeprazole magnesium (Nexium) 40mg for diagnosis of erosive esophagitis Grade C or D. Other proton pump inhibitors may be indicated for specific patients for unusual mitigating circumstances. In these circumstances, additional information should be provided on the Request for Patient Exemption From Prior Authorization Criteria form; OR
- Brand name solutab and liquid dosage formulations may be used with documented inability to swallow capsules or tablets.

Pharmacists will be able to override the point-of-sale, prior authorization edit if the prescriber writes on the face of the prescription in his/her own handwriting one of the following phrases:

1. "Failed Omeprazole 40mg for 30 days"
2. "Esophagitis Grade C"
3. "Esophagitis Grade D"
4. "Cannot swallow tablets"
5. "Cannot swallow capsules"

If a brand name proton pump inhibitor medication has a generic version available, "medically necessary" must also be written on the face of the prescription in order to dispense the brand name drug. Prior authorization will not be required for recipients who are pregnant, breastfeeding or who are under 6 years of age.

Prescribers will also be able to contact ACS at 866-246-8505 (telephone) or 866-246-8507 (fax) to request prior authorization for these medications. The prior authorization criteria and form for proton pump inhibitors will be available on the N.C. Medicaid Enhanced Pharmacy Program website at http://www.ncmedicaidpbm.com prior to implementation of the program.

Additional information on specific procedures related to this prior authorization program will follow in subsequent pharmacy newsletters and general Medicaid bulletin articles.

Removal of Neupogen from the Prior Authorization Drug List

Effective with date of service February 14, 2007, Neupogen no longer requires prior authorization from the Medicaid Outpatient Pharmacy Program.

Prior Authorization Criteria Revised for Celebrex, Procrit/Epogen, and Aranesp

The prior authorization criteria have been revised for the following medications in the Medicaid Outpatient Pharmacy Prior Authorization Program:

- Celebrex
- Procrit/Epogen
- Aranesp

The revised criteria are available on the N.C. Medicaid Enhanced Pharmacy Program website (http://www.ncmedicaidpbm.com; click on PA List & Criteria, then on individual drugs).

Addition to OTC Coverage List

The following Claritin and Nicorette OTC NDCs are now available for reimbursement by N.C. Medicaid in conjunction with a prescription order by the physician. The complete OTC list is located in the General Clinical Policy No. A-2 on the DMA website: http://www.dhhs.state.nc.us/dma/APA/A2.pdf.

Drug	NDC	Effective Date
Claritin 5mg Grape Chewable Tabs	11523-7198-02	4/06/2007
Nicorette Gum 2mg Mint (170)	00766-7843-40	4/12/2007

NPI Announcement

Based on the CMS announced delay for the NPI implementation, DMA will continue collecting NPI information, but will not be requiring the NPI on claims effective May 18, 2007 as previously announced. We strongly encourage providers to begin submitting their NPI numbers along with their Medicaid numbers on claims and to begin utilizing the new claim forms. Remember, with the delay in implementation, claims submitted without a Medicaid provider number will not be processed.

Further information regarding our new implementation date will be communicated when available. DMA will be communicating all NPI updates first via email from our NPI Mailing List. If you have not subscribed to our email list, please do so immediately by visiting our website at www.ncdhhs.gov/dma/npi and clicking on the NPI Mailing List, in red at the top of the page. Once subscription to our mailing list is complete, NPI information and updates will be available. NPI information will also be communicated to the provider community via bulletins, RA banner messages, email blasts and the DMA webpage.

New NPI Electronic Mailing List

The NPI electronic mailing list is now complete for providers, software vendors, clearinghouses, and other interested parties. The purpose of the mailing list is for N.C. Medicaid to provide immediate updates regarding NPI. To subscribe to the mailing list, please visit http://www.dhhs.state.nc.us/dma/NPI.htm and select NPI Mailing List. N.C. Medicaid encourages everyone to subscribe to the mailing list in order to stay up to date with the latest NPI information

New Medicaid ID Numbers Will Be Assigned Due to Identity Theft Mandates

The N.C. Identity Theft Protection Act mandates that Social Security Numbers (SSNs) cannot be embedded in any kind of number issued for recipients to receive benefits. The Eligibility Information System has over 500,000 SSN-based IDs that must be reassigned by July 1, 2007, to be in compliance with this mandate. Beginning in March 2007, the affected ID numbers will be changed and cross-referenced with new assigned numbers. As a result, it is possible that the ID number on a Medicaid card presented to you may not be the same ID number you have in your records. You do not need to do anything except be aware of this change. This will not affect claims processing. Providers that bill under an old ID number will still receive payment, as the new ID number will cross reference with the old ID number.

Large Volume Synagis Pharmacy Distributors

Pharmacy distributors with a large volume of Synagis claims should submit information from the North Carolina Medicaid Synagis for RSV Prophylaxis forms on a diskette. Microsoft Access is preferred, but an Excel spreadsheet is acceptable. File structure is very specific and is the most important element of compatibility. Please call Charlene Sampson at (919) 855-4306 for specific instructions and further assistance on diskette submissions. All diskette must be sent to DMA by May 31, 2007.

Please mail diskettes to:
N.C. Division of Medical Assistance
Pharmacy Program
2501 Mail Service Center
Raleigh, NC 27699-2501

Please remember payment of Synagis claims will be reviewed and may be subject to recoupment by Program Integrity if the appropriate forms are not on file or if diskettes are not submitted in the correct format.

Payment Error Rate Measurement in North Carolina

In compliance with the Improper Payments Information Act of 2002, the Centers for Medicare and Medicaid Services (CMS) implemented a national Payment Error Rate Measurement (PERM) program to measure improper payments in the Medicaid program and the State Children's Health Insurance Program (SCHIP). This is to inform you that North Carolina has been selected as one of 17 states required to participate in PERM reviews for Federal fiscal year 2007 (October 1, 2006 – September 30, 2007).

CMS is using three national contractors to measure improper payments. One of the contractors, Livanta LLC (Livanta), will be communicating directly with providers and requesting medical record documentation associated with the sampled claims (approximately 800 – 1,200 claims for North Carolina). Providers will be required to furnish the records requested by Livanta, within a timeframe indicated by Livanta.

Providers are reminded of the requirement in Section 1902(a)(27) of the Social Security Act and Federal Regulation 42 CFR Part 431.107 to retain any records necessary to disclose the extent of services provided to individuals and, upon request, furnish information regarding any payments claimed by the provider for rendering services. Provider cooperation to furnish requested records is critical in this CMS project. No response to requests and/or insufficient documentation will be considered a payment error. This can result in a payback by the provider and a monetary penalty for North Carolina Medicaid.

Providers Filing Paper Adjustments

Paper adjustment processing procedures require that providers attach a copy of all paper Medicaid Remittance Advice (RA) page(s) related to the referenced claim, a copy of the corrected claim, and any other documentation, such as medical records, necessary to process the adjustment.

Since the implementation of electronic HIPAA transactions, EDS has been receiving paper adjustment requests with RA pages generated from the provider's Electronic Medicaid Media Remittance. This provider-generated RA is not an acceptable substitute for the paper copy mailed to providers by EDS. These generated RAs have varied formats and do not include all information necessary for manual adjustment processing.

Paper adjustments that do not include the required RA will continue to be denied with EOB 812, "Adjustment denied. Please refile with all related RA's, including original processing." Providers receiving this denial should resubmit a copy of their adjustment with the requested RA. Providers who do not have a copy of the paper RA may contact EDS Provider Services to request a replacement. There is a $0.35 per page charge for RA requests that are older than 10 checkwrites before the date requested. RA reprints for the last 10 checkwrites are provided at no charge.

Botox Online Billing Restriction Removed

Effective immediately, the billing restriction has been removed for Botox in the pharmacy point-of-sale (POS) system. All claims for Botox can now process online up to the billed amount of $9,999.99.

Changes in Drug Rebate Manufacturers

The following changes are being made in manufacturers with Drug Rebate Agreements. They are listed by manufacturer code, which are the first five digits of the NDC.

Terminated Labelers

The following labeler code is being terminated effective July 01, 2007:

R.I.D., Inc. (Labeler Code (59439)

The following labeler codes were voluntarily terminated effective January 1, 2007:

Biocraft Laboratories, Inc. (00332)
Propost Pharmaceutical, (65581)

The following labeler codes were voluntarily terminated effective April 1, 2007:

Knoll Pharmaceutical Co. (Labeler Code 00044)
GlaxoSmithKline (Labeler Code 00124)
Pfizer, Inc. (Labeler Code 00905)
Magna Pharmaceutical, Inc. (Labeler Code 58407)
GlaxoSmithKline (Labeler Code 58437)
Shire US, Inc. (Labeler Code 58521)
GlaxoSmithKline (Labeler Code 74684)

Checkwrite Schedule

April 10, 2007	May 08, 2007	June 05, 2007
April 17, 2007	May 15, 2007	June 12, 2007
April 26, 2007	May 22, 2007	June 21, 2007
	May 31, 2007	

Electronic Cut-Off Schedule

April 05, 2007	May 03, 2007	June 07, 2007
April 12, 2007	May 10, 2007	June 14, 2007
April 19, 2007	May 17, 2007	June 28, 2007
	May 24, 2007	

Electronic claims must be transmitted and completed by 5:00 p.m. on the cut-off date to be included in the next checkwrite. Any claims transmitted after 5:00 p.m. will be processed on the second checkwrite following the transmission date. POS claims must be transmitted and completed by 12:00 midnight on the day prior to the electronic cut-off date to be included in the next checkwrite.

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